

# **FISCAL NOTE**

## **SB 2541**

January 8, 2008

**SUMMARY OF BILL:** Increases the maximum income for disabled homeowners to qualify for property tax relief to \$24,000 for tax year 2007 and all subsequent tax years, with increases in subsequent tax years indexed to Social Security cost of living adjustments.

### **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – Exceeds \$269,000**

**Increase Local Gov't. Expenditures – Exceeds \$100,000/Permissive**

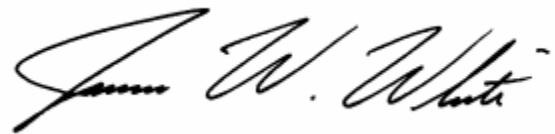
**Funding to increase the income ceiling to \$24,000 for disabled taxpayers for tax year 2007 was erroneously included in the general appropriations bill for FY07-08 as part of the funding for Public Chapter 539 (which applied only to elderly taxpayers).**

#### **Assumptions:**

- According to the Comptroller, under current law the ceiling for disabled taxpayers for tax year 2007 will be \$20,820.
- According to the Comptroller, an additional 1,359 disabled taxpayers would qualify for payment due to increasing the income ceiling. The payment to each taxpayer for tax year 2007 is estimated to be \$198.26. The total state cost in tax year 2007 will be \$269,000 (1,359 x \$198.26 = \$269,435).
- The bill does not increase the amount paid per taxpayer.
- Some counties and cities also provide property tax relief tied to the state program. These local programs are permissive and it is not possible to estimate accurately how many local governments would expand their programs beyond an estimated permissive increase exceeding \$100,000.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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/kmc